

Message Text

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ACTION PA-02

INFO OCT-01 EUR-12 ISO-00 EB-07 COME-00 TRSE-00 LAB-04

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FM AMCONSUL FRANKFURT

TO SECSTATE WASHDC 8582

INFO AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY PARIS

AMCONSUL STUTTGART

UNCLAS FRANKFURT 4940

E.O. 11652: N/A

TAGS: EFIN, EAIR, EINV, GW

SUBJECT: TEXAS GOVERNOR BRISCOE'S VISIT TO FRANKFURT

REF : STATE 146838, STUTTGART 1104

1. GOVERNOR DOLPH BRISCOE'S PRINCIPAL INVESTMENT-PROMOTION ACTIVITY AT FRANKFURT WAS CONCENTRATED IN A ROUND-TABLE CONFERENCE AND SEMINAR AT THE COMMERZBANK, ATTENDED BY REPRESENTATIVES OF IMPORTANT LOCAL INDUSTRIAL FIRMS, HARWELL AND DE BOER OF GOVERNOR'S PARTY, AND CONGEN'S DPO. FOLLOWING PRESENTATION BY GOVERNOR OF ADVANTAGES OF FOREIGN INVESTMENT IN TEXAS, THESE PRINCIPAL POINTS EMERGED:

A. REIMNITZ (MEMBER OF COMMERZBANK'S BOARD OF DIRECTORS) OPENED O&A SESSION BY EXPRESSING "GRAVE CONCERN" OVER RECENT INTROCUPTION IN U.S. CONGRESS OF BILL TO RESTRICT FOREIGN BANKING OPERATONS IN THE UNITED STATES. HE ASSERTED THAT RESTRICTIONS ON FOREIGN BANKING WOULD BE REGARDED AS PRECURSOR OF WIDER U.S. RESTRICTIONS

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AND COULD HAVE DEPRESSING EFFECT ON ALL INWARD FOREIGN INVESTMANT. HE NOTED THAT RESTRICTIVE LEGISLATION PROPOSED DURING PAST SEVERAL YEARS WOULD LIMIT FOREIGN BANKS TO MAJOR U.S. MONEY CENTERS WERE THEY ARE ALREADY ESTABLISHED AND PREPETUATED SECONDARY POSITION OF U.S. STATES TRAILING IN INDUSTRIAL DEVELOPMENT. BRISCOE PROFESSED TO BE

UNINFORMED ON PROPOSED FEDERAL LEGISLATION AND SAID THAT HE WOULD LOOK INTO THE MATTER UPON RETURN TO TEXAS.

B. REIMNTZ ASSERTED THAT GERMANY IS INUNDATED WITH U.S. INVESTMENT PROMOTION MISSIONS AND THAT, AS FAR AS COMMERZBANK CAN TELL, THEY HAVE LITTLE POSITIVE EFFECT. SEVERAL REPRESENTATIVES OF GERMAN INDUSTRY COMMENTED ON THE IMPORTANCE OF PROMPT AND EFFECTIVE FOLLOW-UP ON INVESTMENT LEADS, AND INDICATED THAT A NUMBER OF STATES ARE DEFECTIVE IN THIS REGARD.

C. SEVERAL GERMAN INDUSTRIAL REPRESENTATIVES COMMENTED THAT ABSENCE OF STATE SUBSIDIES REDUCES INTEREST IN INVESTING IN TEXAS, AND NOTED MEASURES PENNSYLVANIA HAD TAKEN TO ATTRACT VOLKSWAGEN INVESTMENT. BRISCOE REPLIED THAT TEXAS IS DIS-INCLINED TO OFFER SUBSIDIES, WHICH IT REGARDS AS ECONOMICALLY UNSOUND OVER THE LONG RUN, AND PREFERS TO ATTRACT FOREIGN INVESTMENT ON BASIS OF STABLE LABOR CONDITIONS, ABSENCE OF HEAVY LOCAL TAXES, DESIRABLE LOCATION, AND LARGE AN EXPANDING POPULATIONS.

D. REPRESENTATIVE OF GERMAN MACHINERY MANUFACTURING ASSOCIATION (REPRESENTING SOME 3,000 FIRMS)
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SAID THAT MEDIUM-SIZED GERMAN INDUSTRIAL FIRMS PARTICULARLY REQUIRE ASSISTANCE IN MAKING DIRECT INVESTMENT ABROAD. SHE SAID THAT THE ASSOCIATION IS PLANNING TO HOLD A SEMINAR ON INVESTMENT IN NORTH AMERICA IN MARCH 1978. (WE ARE IN CONTACT WITH THE ASSOCIATION AND WILL ASSIST AS REQUIRED.)

E. REPRESENTATIVE OF LARGE GERMAN ENGINEERING FIRM COMPLAINED THAT LACK OF DIRECT FLIGHTS FROM GERMANY TO TEXAS INHIBITS GERMAN INVESTMENT IN THAT STATE, BECAUSE ADDITIONAL DAY OF TRAVEL TIME REQUIRED. HE ASSERTED THAT FIRM HAD WANTED TO ESTABLISH A BRANCH IN HOUSTON BUT FINALLY SETTLED ON NYC AREA FOR THIS REASON. REPRESENTATIVES OF SEVERAL OTHER FIRMS STRONGLY AGREED ON NEED FOR GOOD INTERNATIONAL AIR SERVICE. BRISCOE REPLIED THAT HE REGARDS OBTAINMENT BY FOREIGN AIR CARRIERS OF LANDING RIGHTS IN TEXAS TO BE A MAJOR PRE-CONDITION TO EXPANSION OF INBOUND FOREIGN INVESTMENT, AND HE PROMISED TO DEAL AGGRESSIVELY WITH LANDING RIGHTS UPON HIS RETURN TO THE UNITED STATES.

F. HOECHST REPRESENTATIVE ANNOUNCED THAT THEIR
CHEMICAL FIRM IS SERIOUSLY EXPLORING A MAJOR
INVESTMENT IN HOUSTON AREA.

2. BRISCOE SEEMED PLEASED WITH DEVELOPMENTS
DURING FRANKFURT STOP. MEMBERS OF HIS PARTY
DEVELOPED SEVERAL SPECIFIC LEADS WHICH THEY
INTEND TO FOLLOW UP. LEHMANN

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Message Attributes

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Capture Date: 01-Jan-1994 12:00:00 am
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